

# 2023 Tax Planning Quick Reference Guide



## FEDERAL INCOME TAX RATES

Single	Married, filing jointly	Married, filing separately	Head of household (HOH)	Estates, trusts and unearned income of children
\$0 - \$11,000	\$0 - \$22,000	\$0 - \$11,000	\$0 - \$15,700	\$0 - \$2,900
\$11,001 - \$44,725	\$22,001 - \$89,450	\$11,001 - \$44,725	\$15,701 - \$59,850	\$2,901 - \$10,550
\$44,726 - \$95,375	\$89,451 - \$190,750	\$44,726 - \$95,375	\$59,851 - \$95,350	\$10,551 - \$14,450
\$95,376 - \$182,100	\$190,751 - \$364,200	\$95,376 - \$182,100	\$95,351 - \$182,100	\$14,451 or more
\$182,101 - \$231,250	\$364,201 - \$462,500	\$182,101 - \$231,250	\$182,101 - \$231,250	The amount used to reduce the net unearned income on a child's return subject to the "kiddie tax" is \$1,250.
\$231,251 - \$578,125	\$462,501 - \$693,750	\$231,251 - \$346,875	\$231,251 - \$578,100	
\$578,126 or more	\$693,751 or more	\$346,876 or more	\$578,101 or more	

## FEDERAL INCOME TAX DEDUCTIONS AND CREDITS

### Standard deductions

Single	\$13,850
Married, filing jointly	\$27,700
Head of household (HOH)	\$20,800
Married, filing separately	\$13,850
Additional standard deduction for taxpayers who are age 65 or are blind:	
Single or HOH	\$1,850
All other statuses	\$1,500

### Child tax credit

The refundable portion of the credit cannot exceed \$1,600 for a qualifying child.

### Long-term care premium deductibility limits<sup>1</sup>

For HSA reimbursement or Section 213 medical deduction (subject to income limits)

Attained age before end of tax year	Limit
40 or less	\$480
More than 40 but not more than 50	\$890
More than 50 but not more than 60	\$1,790
More than 60 but not more than 70	\$4,770
More than 70	\$5,960

## OTHER FEDERAL TAX RATES

### Rates for long-term capital gains and qualified dividends

Capital gains rate/ filing status	Single filer (income amount)	Married, filing jointly (income amounts)
0%	\$0 - \$44,625	\$0 - \$89,250
15%	\$44,626 - \$492,300	\$89,251 - \$553,850
20%	\$492,301 or more	\$553,851 or more

### Investment income Medicare tax

Applies to the lesser of (a) net investment income or (b) modified adjusted gross income (MAGI) exceeding:

• Individuals	\$200,000
• Married, filing jointly	\$250,000
• Married, filing separately	\$125,000
• Estates and trusts	\$14,451

### Federal gift and estate tax

Gift tax annual exclusion	\$17,000
Annual exclusion for gift to noncitizen spouse	\$175,000
Estate tax exclusion amount	\$12,920,000
Lifetime gifting exclusion amount	\$12,920,000
Highest gift tax rate	40%
Highest estate tax rate	40%
Highest generation-skipping transfer tax rate	40%

### Social Security

Annual cost-of-living adjustment	8.7%
Maximum earnings (during working years) subject to FICA tax	\$160,200

Income<sup>2</sup> causing Social Security benefits to be taxable:

• Single or HOH	
- 50% taxable	\$25,000 - \$34,000 MAGI
- 85% taxable	More than \$34,000
• Married, filing jointly	
- 50% taxable	\$32,000 - \$44,000 MAGI
- 85% taxable	More than \$44,000

Maximum earnings (from a job) between age 62 and normal Social Security retirement age before Social Security benefits are reduced \$1 for every additional \$2 earned

## CONTRIBUTION LIMITS

### IRA

IRA contribution (under age 50)	\$6,500
IRA contribution (50 and older)	\$7,500
IRA deduction phaseout (qualified plan participant):	
• Single or HOH	\$73,000 - \$83,000
• Married, filing jointly	\$116,000 - \$136,000
• Married, filing separately	\$0 - \$10,000
• Spousal IRA deduction phaseout	\$218,000 - \$228,000

### Phaseout of Roth IRA contributions eligibility

Single	\$138,000 - \$153,000
Married, filing jointly	\$218,000 - \$228,000
Married, filing separately	\$0 - \$10,000

### SEP

SEP contribution limit is the lesser of 25% of compensation, or:	\$66,000
Minimum compensation for SEP participant	\$750

### SIMPLE

SIMPLE elective deferral (under age 50)	\$15,500
SIMPLE elective deferral (50 and older)	\$19,000

### Retirement plans

401(k), 403(b), <sup>3</sup> 457 and SARSEP elective deferral (under 50)	\$22,500
401(k), 403(b), <sup>3</sup> 457 <sup>4</sup> and SARSEP elective deferral (50 and older)	\$30,000
Limit on additions to defined contribution plans	\$66,000
Annual benefit limit on defined benefit plans	\$265,000
Highly compensated employee threshold	\$150,000
Maximum compensation taken into account for qualified plans	\$330,000

### Health savings accounts (HSAs)

Individual limit (under age 55)	\$3,850
Family limit	\$7,750
Catch-up contribution (55 and older)	\$1,000

# 2023 required minimum distribution summary

## Uniform lifetime table

### For use by:

- Unmarried owners
- Married owners whose spouses are not more than 10 years younger
- Married owners whose spouses are not the sole beneficiaries of their IRAs

For married owners whose spouses are more than 10 years younger and are the sole beneficiary of the IRA, use the Joint Life Table from IRS Publication 590.

This uniform lifetime table reflects the new life expectancy factors used to calculate required minimum distributions beginning in 2023.

Under the Setting Every Community Up for Retirement Enhancement (SECURE) Act passed at the end of 2019, participants reaching age 70½ after December 31, 2020, are not required to take required minimum distributions until April 1 of the calendar year following their 72nd birthday.

<sup>1</sup> The IRS considers the premiums for traditional long-term care insurance contracts to be a qualified medical expense that may be paid for or reimbursed from an HSA on a tax-free basis, subject to age-based limitations. LTC riders on life insurance have additional considerations. Consult your tax advisor for additional details.

<sup>2</sup> This is your adjusted gross income, plus nontaxable interest, plus half of your Social Security benefits.

<sup>3</sup> Additional catch-up contributions may be available for 403(b) participants with 15 or more years of service.

<sup>4</sup> In the last 3 years before retirement, 457 plan participants may be able to increase their elective deferrals if needed to catch up on missed contributions.

Source: IRS.gov. Information is accurate as of December 2022. This document is designed to provide general information on the subjects covered.

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

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## Uniform lifetime table

Age	Distribution period
72	27.4
73	26.5
74	25.5
75	24.6
76	23.7
77	22.9
78	22.0
79	21.1
80	20.2
81	19.4
82	18.5
83	17.7
84	16.8
85	16.0
86	15.2
87	14.4
88	13.7
89	12.9
90	12.2
91	11.5
92	10.8
93	10.1
94	9.5
95	8.9
96	8.4
97	7.8
98	7.3
99	6.8
100	6.4
101	6.0
102	5.6
103	5.2
104	4.9
105	4.6
106	4.3
107	4.1
108	3.9
109	3.7
110	3.5
111	3.4
112	3.3
113	3.1
114	3.0
115	2.9
116	2.8
117	2.7